

QUARTERLY REVISED ESTIMATE AND PAYMENT

For Production January 1 through December 31, 2015 (Tax Year 2015-16) NRS 362.115(1)(b)

GENERAL INSTRUCTIONS:

The Nevada Department of Taxation (Department) prepared these instructions to assist operators in revising projected Net Proceeds of Minerals Tax information per NRS 362.115(1)(b) for operations in the State of Nevada. Refer to Chapter 362 of Nevada Revised Statutes (NRS) and Chapter 362 of Nevada Administrative Code (NAC).

QUARTERLY REVISED ESTIMATES AND PAYMENT ARE OPTIONAL.

Also refer to the instructions for Form 2204 (Estimated Year Report and Payment) for the initial projections and payments pursuant to NRS 362.115(1)(a). The quarterly Form 2205 revises projections originally reported on Form 2204. Also refer to the instructions for Forms 2201 (Geothermal Operator – Statement of Gross Yield and Claimed Net Proceeds) and 2202 (Operator – Statement of Gross Yield and Claimed Net Proceeds).

Per NRS 362.130(4),

"If the amount paid pursuant to paragraph (a) of subsection 1 or NRS 362.115 in the prior calendar year is less than 90% of the amount certified pursuant to this section, the amount due must include a penalty of 10 percent of the amount by which the tax was underpaid unless:

- (a) The amount paid pursuant to paragraph (a) of subsection 1 of NRS 362.115 in the prior calendar year is equal to or greater than the total liability of the operation for the preceding calendar year; or*
- (b) The person files quarterly reports pursuant to paragraph (b) of subsection 1 of NRS 362.115 in a timely manner for that year and the total of all payments exceeds 90 percent of the amount certified."*

The above penalty per NRS 362.130(4) may be imposed in addition to penalties for failure to file (NRS 362.230), penalties for false statements (NRS 362.240), and interest and penalties on delinquent taxes (NRS 362.160).

The completed Form 2205 may be submitted electronically or it may be printed, completed and mailed or hand delivered. The Operator may submit the completed Form 2205 electronically by submitting the completed excel workbook and electronically attaching supporting documents. The Operator may submit the completed Form 2205 in paper form by printing the forms, manually completing forms, signing, and delivering Form 2205 to the Department. Electronic submission is preferred.

Payment, if applicable, is due within 30 days after filing per NRS 362.115. Remit payments to:

Department of Taxation, DLGS
Centrally-Assessed Properties
1550 College Parkway, Suite 115
Carson City Nevada 89706

To submit Form 2205 electronically, email the Statement to the following contact. The date and time on the email will be used to determine timeliness of filing per NRS 362.115.

Jane Omdahl	775-684-2033	jomdahl@tax.state.nv.us
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For paper submission, return the completed Form 2205 to:

Nevada Department of Taxation
Centrally-Assessed Properties Section
1550 College Parkway, Room 115
Carson City, Nevada 89706

The due date for the optional First Quarter Revised Estimate and Payment (Form 2205) is April 30, 2015.

A signed blank form is unacceptable and will be considered a failure to file. An illegible, incomplete and/or unintelligible Statement will also be considered a failure to file.

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Enter all information on the Nevada Department of Taxation, Net Proceeds of Minerals Tax reporting forms. Substitute forms will not be accepted unless they have the identical format. Additional supporting information may be attached and must be clearly identified and associated with a specific entry on the form.

Form 2205 covers operations that have occurred through the end of the first quarter of calendar year 2015 and the projected results of operations for the remaining quarters of 2015. Therefore, Form 2205 covers operations for the twelve months ending December 31, 2015. Form 2205 must be filed showing the projected gross yield and the projected claim for deductions from each geographically separate operation where a mineral is extracted.

payment due on May 10 of the next calendar year. If the certificate shows a net loss for the year covered by the certificate or an amount of tax due for that year which is less than an overpayment made for the preceding year, the amount or remaining amount of the overpayment must, after being credited against any amount then due from the taxpayer in accordance with [NRS 360.236](#), be refunded to the taxpayer within 30 days after the certification was sent to the taxpayer.

[4:77:1927; NCL § 6581]—(NRS A 1969, 561; 1973, 1295; 1975, 1677; 1979, 822; 1981, 809; [1987, 168, 2141](#); [1989, 38, 1537](#); [1991, 653](#); [1993, 1361](#); [1995, 41](#); [1999, 733](#); [2001, 663](#); [2005, 297](#); [2008, 25th Special Session, 16](#); [2009, 65](#); [2011, 2896](#); [2013, 3425](#), effective July 1, 2015, if the provisions of Senate Joint Resolution No. 15 (2011) are not approved and ratified by the voters at the 2014 General Election)

NRS 362.130 Preparation and mailing of certificate of amount of net proceeds and tax due; due date of tax; overpayments. [Effective July 1, 2015, if the provisions of Senate Joint Resolution No. 15 (2011) are not approved and ratified by the voters at the 2014 General Election.]

1. When the Department determines from the annual statement filed pursuant to [NRS 362.110](#) the net proceeds of any minerals extracted, it shall prepare its certificate of the amount of the net proceeds and the tax due and send a copy of the certificate to the owner of the mine, operator of the mine or recipient of the royalty, as the case may be.
2. The certificate must be prepared and mailed not later than:
 - (a) April 20 immediately following the month of February during which the annual statement was filed; or
 - (b) April 30 immediately thereafter if an amended statement is filed in a timely manner.
3. The tax due as indicated in the certificate must be paid on or before May 10 of the year in which the certificate is received.
4. If an overpayment was made, the overpayment must be credited toward the

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SPECIFIC INSTRUCTIONS**FORM 2205**

Enter the Operator Name, Mine Name, Property Identification Number (PIN), County, and Tax District. Contact the Department if you have questions about these fields.

Line 1: Gross Yield

Enter the dollar amount of the actual Gross Yield for the first quarter and the projected Gross Yield for the second, third and fourth quarters for all products in Column A through D. Attach a schedule showing the quantity, price and total used to calculate gross yield for each product. Total the Gross Yield on Line 1 Columns A through D and place the total on Line 1 Column E.

Line 2: Allowable Deductions

Enter the dollar amount of actual Deductions from Gross Yield for the first quarter and projected Deductions from Gross Yield for the second, third, and fourth quarters on Line 2 Columns A through D. Total the Deductions on Line 2 Columns A through D and place the total on Line 2 Column E. Refer to the instructions for Forms 2201 (Geothermal Operator – Statement of Gross Yield and Claimed Deductions) and/or Form 2202 (Operator – Statement of Gross Yield and Claimed Deductions) for information on deductions that may be claimed. Also refer to NRS 362 and NAC 362 for information.

Line 3: Net Proceeds

Subtract the Allowable Deductions on Line 2 from the Gross Yield on Line 1 in each column and enter the difference on Line 3 Columns A through E. The amount on Line 3 Column E represents the projected net proceeds related to the operator's activities for calendar year 2015.

Line 4: Royalties Payable

Enter the dollar amount of royalties paid or expected to be paid for each quarter of the calendar year 2015 on Line 4 Columns A

through D. Do not report royalties paid or to be paid to the federal Minerals Management Services (MMS) or other royalties not subject to the Net Proceeds of Minerals Tax. Rent or lease payments, or minimum royalties which are unrelated to production must not be reported. Total the amounts on Line 4 Columns A through D and enter the sum of Line 4 Column E. This amount represents the estimated royalties subject to the Net Proceeds of Minerals Tax for calendar year 2015 that the Operator must collect and pay on behalf of royalty recipients.

Line 5: Net Proceeds

On Line 5, Column (a), enter the Net Proceeds reported on Line 4 of Form 2204 (Estimated Year Report and Payment due March 1, 2015 per NRS 362.115(a)).

On Line 5, Column (b), enter the amount from Line 3 Column E. This amount is the "Current Annual Estimate" of the Net Proceeds of the Operator for 2015.

For Line 5, Column (c), subtract the "Estimate from Form 2204 due Mar 31, 2015" on Line 5 column (a) from the "Current Annual Estimate" on Line 5 Column (b) and enter the difference on Line 5 Column (c). This amount represents the "Annual Estimate Increment" from the last estimate.

Line 6: Tax Rate

On Line 6 Column (a), enter the rate reported on Form 2204 Line 5.

On Line 6 Column (b), enter the applicable tax rate for the Estimated Net Proceeds of the Operator subject to the Net Proceeds of Minerals Tax for production year 2015. Refer to the two tables included with the excel workbook for Form 2205 labeled "Tax Rate Geothermals" and "Tax Rate Non-Geothermals" to determine the input for this field. Generally, this rate would be the same as Line 6 Column (a), however, this field may be used to correct rates entered on prior forms as well to correct amounts reported on earlier forms.

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For geothermal operators, the tax rate is always the total tax district rate. Determine the tax district rate from the table labeled "Tax Rate Geothermals" and enter the rate on Line 6 Column (b).

For all non-geothermal operators, the rate depends on two factors: (1) the amount of total Net Proceeds and (2) the ratio of gross proceeds to net proceeds. Rates are determined pursuant to NRS 362.140, reproduced on the worksheet labeled "Tax Rates Non Geothermal" in the Excel workbook for Form 2205. If Net Proceeds exceed \$4 million, the rate is always 5% for non-geothermal operators. For all non-geothermal mine operators, if Net Proceeds do not exceed \$4 million, then the rate is the higher of the following: the total tax district rate or a rate from the table in NRS 362.140 based on the Net Proceeds to Gross Proceeds ratio. Consult NRS 362.140 for more guidance.

Line 7: Net Proceeds Tax

On Line 7 Column (a), enter the annual net proceeds tax reported on Form 2204, Line 5 submitted for 2015 (Due March 1, 2015).

For Line 7 Column (b), multiply the amount on Line 5 Column (b) by the rate on Line 6 Column (b) and enter the product on Line 7 Column (b).

Line 8: Royalties Payable

On Line 8 Column (a), enter the royalties reported on Form 2204 Line 7.

On Line 8 Column (b), enter the amount from Line 4 Column E. This amount represents the estimated royalties subject to the Net Proceeds of Minerals Tax for calendar year 2015 that the Operator must collect and pay on behalf of royalty recipients.

Line 9: Net Proceeds Tax on Royalties

On Line 9 Column (a), enter the Net Proceeds Tax on Royalties reported on Form 2204 Line 8.

For Line 9 Column (b), multiply the amount on Line 8 Column (b) by 5% (0.05) and place the product on Line 9, Column (b).

Line 10: Tax Due

For each column on Line 10, add the amounts from the same Line 7 and Line 9 of the same column and place the total on Line 10.

Line 11: Prior Taxes Owned or (Credit)

For Line 11 Column (a), enter the amount from Form 2204, Line 10.

For Line 11 Column (b), enter the amount of any prior tax owed or credit(s) carried forward. Usually, the amount will be the same as Line 11 Column (a); however, a decision of an appeal, an adjustment from an audit, or a correction may have been made since Form 2204 was filed. The amount on Line 11 Column (b) may reflect changes.

Line 12: Net Tax Due or (Remaining Credit)

For Line 12 of Columns (a) and (b), add the amounts on the Lines 10 and 11 of the same column and enter the sum on Line 12.

For Line 12 Column (c), subtract the amount on Line 12 Column (a) from the amount on Line 12 Column (b) and enter the difference on Line 12 Column (c).

Line 13: Payment Amount

For Line 13 Column (a), enter the amount paid as reported on Form 2204 Line 12.

For Line 13 Column (b), if the amount on Line 12 Column (c) is positive, enter the amount from Line 12 Column (c). If the amount on Line 12 Column (c) negative or zero, enter zero on Line 13 Column (c).